

105TH CONGRESS
1ST SESSION

H. R. 1653

To amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to create uniform standards with respect to federally-regulated securities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 16, 1997

Mr. CAMPBELL (for himself, Mr. KLUG, and Mr. DOOLEY of California) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to create uniform standards with respect to federally-regulated securities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securities Litigation
5 Improvement Act of 1997”.

6 **SEC. 2. LIMITATION ON PRIVATE CIVIL ACTIONS.**

7 (a) AMENDMENTS TO THE SECURITIES ACT OF
8 1933.—

1 (1) REMEDIES.—Section 16 of the Securities
2 Act of 1933 (15 U.S.C. 77p) is amended to read as
3 follows:

4 **“SEC. 16. REMEDIES.**

5 “(a) IN GENERAL.—Except as provided in subsection
6 (b), the rights and remedies provided by this title shall
7 be in addition to any and all other rights and remedies
8 that may exist at law or in equity.

9 “(b) LIMITATION ON STATE ACTIONS.—

10 “(1) LIMITATION.—Notwithstanding subsection
11 (a), no private civil action alleging—

12 “(A) a misrepresentation or omission in
13 connection with the purchase or sale of any cov-
14 ered security, or

15 “(B) that the defendant used or employed
16 any manipulative or deceptive device or contriv-
17 ance in connection with the purchase or sale of
18 any covered security,

19 may be initiated or maintained in any State court or
20 under State law (including a pendent State claim to
21 an action under Federal law).

22 “(2) DEFINITION.—For purposes of paragraph
23 (1), the term ‘covered security’ has the meaning pro-
24 vided by section 18(b)(1) of this title.”.

1 (2) JURISDICTION.—Section 22(a) of the Secu-
2 rities Act of 1933 (15 U.S.C. 77v(a)) is amended—

3 (A) in the first sentence—

4 (i) by inserting “exclusive” before “ju-
5 risdiction”; and

6 (ii) by striking “and, concurrent with
7 State and Territorial courts,” and insert-
8 ing “and”; and

9 (B) by striking “No case arising under this
10 title and brought in any State court of com-
11 petent jurisdiction shall be removed to any
12 court of the United States.”.

13 (b) AMENDMENTS TO THE SECURITIES EXCHANGE
14 ACT OF 1934.—Section 28 of the Securities Exchange Act
15 of 1934 (15 U.S.C. 78bb) is amended—

16 (1) in subsection (a), by striking “The rights
17 and remedies” and inserting “Except as provided in
18 subsection (f), the rights and remedies”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(f) LIMITATION ON STATE ACTIONS.—

22 “(1) LIMITATION.—Notwithstanding subsection
23 (a), no private civil action alleging—

1 “(A) a misrepresentation or omission in
2 connection with the purchase or sale of any cov-
3 ered security, or

4 “(B) that the defendant used or employed
5 any manipulative or deceptive device or contriv-
6 ance in connection with the purchase or sale of
7 any covered security,
8 may be initiated or maintained in any State court or
9 under State law (including a pendent State claim to
10 an action under Federal law).

11 “(2) DEFINITION.—For purposes of paragraph
12 (1), the term ‘covered security’ has the meaning pro-
13 vided by section 18(b)(1) of the Securities Act of
14 1933.”.

15 (c) TECHNICAL AMENDMENT.—Section 18(b)(1)(A)
16 of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)(A))
17 is amended “, or authorized for listing” after “Exchange,
18 or listed”.

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